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State Representative Kevin Daley S-1186 House Office Building P.O. Box 30014 Lansing, MI 48909

May 21, 2014

RE: House Bill No. 5560

Dear Kevin,

Thank you for taking the time to speak with me last week regarding HB-5560.

We hope that you will continue to oppose any bill that takes public notices out of newspapers. We really need to get the message through to other legislators that, while it may look like a cost effective step, placing public notices online only would disenfranchise senior and rural taxpayers in our district and around the state. Further, placing those notices on government websites only runs the risk of subverting the process of taxpayer involvement at the grassroots level. We just can't let that happen.

I'm not sure why HB-5560 seeks to reach out to the year 2025 and beyond. Perhaps there is some sort of prediction about the future of newspapers implied. I think given the dramatic changes with all media in just the past 5 years, attempting to predict what could happen over the next 10 years with regard to media is unwise. There are plenty of industry pundits and so-called experts who have been trying to bury printed newspapers for years already. It hasn't happened and I don't see it happening in our lifetime.

I am enclosing a couple things regarding local community newspapers that I think will be of interest to the committee reviewing HB-5560.

The first is a copy of an email from Circulation Verification Council President and CEO Tim Bingaman to the Jack Guza, the executive director of Community Papers of Michigan. Circulation Verification Council is an independent audit company. In his email, Mr. Bingaman cites statistics from audits conducted by his company on community newspapers in 1999 and in 2013. Those audits found that receivership (circulation) of community newspapers fell only 1.2% between 1999 and 2013 and readership declined only 0.9% in that same period.

During the worst economic climate of our lifetime, community newspapers' circulation and readership stayed nearly flat.

From: Tim Bingaman [mailto:tbingaman@cvcaudit.com]

Sent: Tuesday, May 20, 2014 5:21 PM

To: Jack Guza

Subject: RE: Supporting data on community paper stability

Jack,

This is part of the "state of the industry" address I made at the IFPA conference in October 2013. No significant changes have occurred since then.

Those who feel that "print is dying" may disagree with what I have to say tonight. Let's start with, "I don't believe print is dying". I do believe that print is no different than radio, TV, direct mail, billboards, or the guy who sells ad space on restaurant placemats. Advertising as we know it has changed forever. Like our grandfathers, grandmothers, fathers and mothers who worked this industry before us we must adapt or fade away to irrelevance. The only difference is that the change they had to adapt to in a year is what we embrace each week. Life is faster, success goes to the individuals who multi-task well.

As we embark on what we affectionately refer to as "the planning season", that time of year where we start to prepare the marketing recommendations we present to our clients for the following year, I know what we will hear again this year.

"Is there still a case for print?"

Why would our clients not ask this question? They have seen what has happened to their local newspaper. They have watched their venerable weekly news magazine Newsweek go digital. They have watched the periodicals aisle at Barnes & Noble get smaller. So the question certainly makes sense from that perspective.

But there seems to be another side to this discussion. All print is not created equal. Community papers, typically free community papers are thriving. Measuring papers audited in both 1999 and 2013 (14 years) the community paper industry has loss less than 1% circulation.

First percentage is from 1999. Second percentage is from 2013.

RECEIVERSHIP 98.1% / 96.9% READERSHIP 77.1% / 76.2% INTENT TO PURCHASE 72.4% / 74.9%

Income: \$50M+ 1999 - 49% / 2013 \$63%

Readers under the age of 45: 1999 - 51% - 2013 54% College + Educational attainment: 1999 - 28% / 2013 -32%

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But, as Michael Klingensmith, publisher of the *Star Tribune* in Minneapolis said at mediaXchange, they're willing to pay for things, too. The key, he said, is making news content interesting enough that they're willing to subscribe to it.

And there's the rub. How do you make a news story as interesting to digest as an online game? And can that only been done through social media?

There is hope. Local community newspapers seem to be fairing much better than metros. They're doing that by connecting with their audience in a personal way in which the bigger dailies cannot. But the locals have also been smarter than the big boys by taking advantage of their place in their communities. Don't think those seemingly corny weekend events—the bridal shows, the garage sales and such—nor those down-home blogs talking about the upcoming neighborhood rivalry basketball game don't connect with readers and keep them subscribing to the local newspaper. They do.

So, you see, figuring out how to secure the plight of the print newspaper isn't such a mystery. It's a matter of knowing what your newspaper readership wants. And making adjustments accordingly.